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# Intellectual Ammunition

a publication of The Heartland Institute

## Potshots

If we demand that mere mortals live up to this standard [not committing adultery], we will see our seats of government lay empty.

— **Hon. Dick Gephardt (D-Missouri)**

Some people seem to think that a book advance is more incriminating than a sexual advance.

— **Thomas Sowell**

The GOP is a consistent advocate of reducing government power and control, except on the many occasions when it wants to expand government power and control. (Democrats, of course, are just the opposite.)

— **Stephen Chapman**

You might be a redneck Jedi if your father has ever said to you, "Shoot, son, come on over to the darkside . . . it'll be a hoot."

— **Jeff Foxworthy**

My net worth has declined to a level I never thought it would get up to.

— **Not Bill Gates (after the market crash)**

Why do we make it so complicated, so contentious, so controversial to provide people the freedom they crave, when the desire to be free is so common, so simple, so natural?

— **Harry Browne**

If airlines advertised like politicians, no one would fly.

— **William Bennett**

## Building Blocks of Affordable Health Insurance

Lee Tooman

In several states, laws supposedly enacted to make health care available and affordable have actually reduced people's choices and thus made health care both more expensive and less accessible.

Last August, the Council for Affordable Health Insurance (CAHI) developed an eight-point plan—Building Blocks to Affordable Health Insurance—that uses people's power to choose to bring health care costs under control. CAHI claimed that these eight steps could reduce insurance premiums by 37 to 63 percent.

Too good to be true? As CAHI's State Affairs Committee Chairman, I analyzed health insurance in the states and found confirmation of these bold assertions here at home in Indiana. Indiana has enacted all the Building Blocks over which it has control. (Tax equity can be accomplished only by an act of Congress). As a result, Indiana enjoys health insurance costs 13 percent below the national average. New York, a state which evidently has no faith in the market and which has gone in the opposite direction with its laws and regulations, has costs 12 percent higher than the national average.

### Appropriate Price Regulation

A key CAHI Building Block is appropriate pricing. Appropriate pricing strikes a balance between the premium charged and the person's level of risk, but still includes significant subsidization of the healthy by the un-

healthy. Appropriate pricing not only encourages healthy people to enter and remain in the health care system, but also keeps costs more constant.

Indiana enacted small-group reform in 1992, but implemented very moderate premium rating restrictions. Indiana has eschewed rate regulation for individual health insurance. The state has also encouraged flexibility in workers' compensation rating and has, according to the Insurance Institute of Indiana, the second lowest workers' comp rates in the country to show for it. The result: the Employee Benefits Research Institute confirms that Indiana has the highest proportion of people with private health insurance (employer and non-employer coverage) in the nation.

Meanwhile, New York imposed community rating on its small-group and individual health insurance markets. This heavy-handed regulation completely separates what people *should* pay from what they *do* pay. The number of people with private health in-

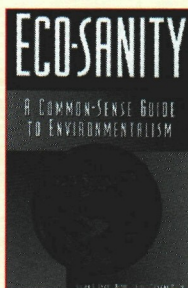
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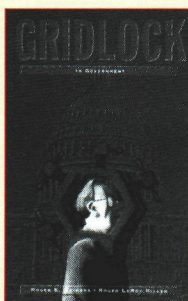
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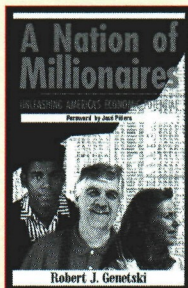
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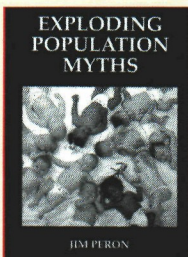
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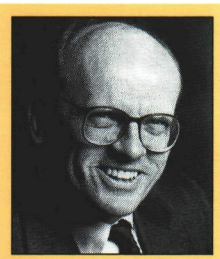
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**Exploding Population Myths**  
\$4.95 paperback  
80 pages



## News from the *Heartland*

by Dan Miller  
Publisher

Strong partisans of public education are feeling even more self-satisfied than usual lately.

"Elections offer a sharp reality check," gloated Sandra Feldman, president of the American Federation of Teachers, in the union's effective "Where we stand" print ad campaign. "Vouchers were rejected everywhere they were subject to a vote. The public wants leaders at the state and federal levels to work on improving public education."

But Ms. Feldman overstates her case.

For instance, the same Colorado that she praises for rejecting a ballot initiative for private-school tax credits elected an outspoken pro-voucher candidate to the U.S. House. Freshman GOP congressman Tom Tancredo, former president of the free-market Independence Institute, blamed the Republicans' otherwise-dismal showing not on a pro-reform education agenda, but on their failure to articulate a clear message on taxes, social security, and education.

And while the defeat of the Colorado tax-credit initiative was bitter for reform activists, they were encouraged that the margin of loss was only 18 percentage points, a marked improvement over the 34-point

drubbing a similar proposal took six years earlier.

Extenuating circumstances can be cited to explain the defeat of vouchers in each election last November, proving once again that all politics is local. If there is one clear message on school-finance reform from the November elections, it's this: Fears of triggering unanticipated consequences convinced voters to reject pro-choice measures.

The parent-choice forces in jurisdictions from Oregon and California to New York couldn't research the rebuttals fast enough, and on election day, skittish voters decided to wait for more information.

The lobby for government schools, though, is running out of arguments. Claiming that private-school vouchers violate the U.S. Constitution's mandate for the separation of church and state no longer cuts the mustard, thanks to the U.S. Supreme Court's recent decision to allow Wisconsin's choice program to stand. Aid even to religious schools can pass Constitutional muster if the funding goes to the student and not the institution.

Other anti-school choice arguments are similarly falling. Our sister publication, *School Reform News*, reports empirical studies showing that private schools are more effective at educating students; that private schools are more ethnically diverse than government schools; that class size has only a marginal effect at most on test scores; that low-income and minority students can benefit more quickly in private schools than in government schools; that parental choice in education can benefit even those students who remain behind in government schools; and more.

By attempting to tarnish the arguments for choice in education, the government-school lobby is indeed retarding reform. But the tarnish can't last for long. Senator John Kerry (D-Massachusetts) told an education conference last year, "Shame on us for not realizing that there are parents in this country who . . . today support vouchers not because they are enamored with private schools, but because they want a choice for their children."



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insurance in New York languishes well behind the national average.

## **Mandated Benefits**

People should be able to make choices about their health care based on their own needs and resources. But states have imposed over 1,000 mandated benefits requiring people to buy specific types of protection. Other state laws strictly curtail plan designs, limiting health insurance flexibility and innovations that better fit consumer needs.

Indiana has resisted the temptation to im-

*People should be able to make choices about their health care based on their own needs and resources.*

*But states have imposed over 1,000 mandated benefits requiring people to buy specific types of protection.*

pose popular new mandates on health insurance contracts. Instead, it has enacted a handful of non-controversial requirements, including coverage for newborns and adopted children and non-discrimination against victims of abuse. Only 11 other states have enacted fewer mandates.

New York, by contrast, has rarely seen a mandate it did not like. It has enacted 30 coverage mandates. Only five states have enacted more. In its zeal to micromanage health insurance contracts, New York has favored solid gold Cadillac coverage for the few who can afford it over basic coverage for the many.

## **Personal Responsibility, Access, and Continuity of Coverage**

Personal responsibility plays an important part in keeping the health care system affordable. Consumers lacking a meaningful financial interest in their health care decisions tend to make inappropriate or excessive use of services. When people have a stake in the cost of care, they use the system more responsibly and keep costs down for everyone.

Everyone should have access to health insurance, along with the opportunity to maintain continuous coverage. Proper incentives can encourage people to participate in and maintain health insurance coverage. Those who choose not to provide for their health care needs should be subject to reasonable consequences.

Everyone in Indiana, no matter how uninsurable, has access to high-quality health insurance coverage. We accomplished this by creating the Indiana Comprehensive Health Insurance Association (ICHIA), a health insurance risk pool. Coverage is excellent, and rates are capped and heavily subsidized. Roughly 4,000 medically uninsurable persons are presently covered by the program. Meanwhile, the private market functions normally.

In addition, Indiana enacted limits on preexisting-conditions limitations. Portability legislation was put in place in the small-group market in 1992 and in the individual market in 1995. In sum, Indiana creates vehicles for people to enter into the health insurance system and provides the means for us to keep our coverage when circumstances change.

New York predictably chose a different direction. It mandates guaranteed issue in its small-group and individual health insurance markets. Under the guaranteed issue concept, one can purchase health insurance at any time, regardless of health. It begs the question: Why buy insurance until you need it? (Answer: few do.) Why would insurance companies sell under such circumstances? (Answer: they don't).

## **Sensible Liability Laws**

States and Congress should enact sensible liability and responsibility laws. Medical malpractice liability laws should provide adequate compensation for those who are truly injured while reducing frivolous lawsuits and extraordinary damage awards. The current legal environment leads to a "lottery" mentality and inflates the cost of health care for all.

In 1975, Indiana enacted strong medical malpractice reform. Providers' liability was greatly limited, while a patients' compensation fund was created for victims of serious malpractice. The statute of limitations was restricted to two years from the date of the alleged act or omission, rather than the onset of medical problems (which could occur many years after an alleged act of negligence). Finally, most claims must first be presented to a medical review panel before they can be litigated.

In 1995, Indiana once again tackled tort

reform, this time in a broader way. Among other provisions, punitive damages are limited to the greater of three times actual damages or \$50,000.

Indiana has enacted some of the toughest tort reform measures in the nation. Naturally, New York has done virtually nothing and remains a haven for trial lawyers and litigation.

## **Low Costs Mean More Insured People**

Not surprisingly, according to the EBRI, the percentage of non-elderly people without health insurance is much lower in Indiana than in New York: 12.2 percent versus 19.1 percent. And this is despite the fact that New York has tried mightily to shore up its uninsured population with Medicaid: Fully 17 percent of New York's non-elderly population is served by this public assistance program, versus 5.7 percent in Indiana.

*Indiana is guided by an understanding of and respect for free markets. New York operates as a "nanny" state where laws and regulations are preferred to personal responsibility.*

Health insurance regulation in Indiana is guided by an understanding of and respect for free markets. New York operates as a "nanny" state, where laws and regulations are preferred to personal responsibility and market forces.

With health insurance costs 29 percent higher in New York than Indiana, and a rate of persons without insurance 56 percent higher in New York than Indiana, it is very obvious which works better.

Lee Tooman is vice president of government relations for Golden Rule Insurance Company in Indianapolis, Indiana. He can be reached by e-mail at govrel@gol-drule.com. This article first appeared in the November 1998 issue of *The Leader*, a publication of Golden Rule Insurance.



# Crime

H. Sterling Burnett

H. Sterling Burnett is a policy analyst with the National Center for Policy Analysis in Dallas.

## Gun Lawsuits Make Us All Less Safe



Available on **PolicyFax**

**Answering Objections to  
Right-to-Carry Laws**

What do the data from states with concealed-carry laws show? (National Center for Policy Analysis, November 1997, 2pp.)

Call 312/377-3000  
Request document #1328302

In early 1998, Philadelphia Mayor Edward Rendell first proposed suing gun manufacturers to recover costs related to firearm violence in his city. Though Rendell has put his plans on hold, Mayor Marc Morial of New Orleans and Mayor Richard Daley of Chicago have taken up his suggestion and filed suit. Other cities seem likely to file suit in the near future.

Chicago's lawsuit borrows the theory developed by Rendell: (1) guns are a public nuisance and (2) gun manufacturers knowingly flood cities with more guns than they could expect to sell to law-abiding citizens, thus aiding and abetting criminals in obtaining firearms.

The New Orleans lawsuit, which argues that guns as they are currently manufactured are unreasonably dangerous in design, is based upon an unfounded supposition: gun makers have suppressed the introduction of safety devices that would prevent unauthorized users from firing guns.

*If gun makers are held  
liable when criminals  
misuse guns, where will the  
lawsuit parade end?*

In both cities, the mayors argue that public health and safety costs associated with treating and preventing firearm injuries should be reimbursed to the city by the firearm industry. If they succeed, their lawsuits will establish bad law and bad public policy.

The lawsuits would establish bad law because they ask the courts to legislate. In many similar lawsuits, courts have consistently held that questions concerning whether firearms should be legal and widely available are for legislatures to decide. In *Wasylyow v. Glock, Inc.*, for example, the court ruled, "It is the province of legislative or authorized administrative bodies, and not the judicial branch, to advance through democratic channels policies that would directly or indirectly either 1) ban some classes of handguns or 2) transform firearm enterprises into insurers against misuse of their products. Frustration at the failure of legislatures to enact laws sufficient to curb handgun injuries is not adequate reason to engage the judicial forum in efforts to implement a broad policy change."

In addition, the suits would reverse well-established tort law: manufacturers are not

responsible for the criminal misuse of their products. Should automobile makers be held responsible for vehicular homicides committed by people in the grip of road rage? If gun makers are held liable when criminals misuse guns, where will the lawsuit parade end?

The lawsuits would also establish bad public policy because guns prevent more harm than they cause. Criminals fear armed citizens more than they fear the police. Why? Nearly 3,000 criminals are lawfully killed each year by armed civilians—more than three times the number killed by police. An additional 9,000 to 17,000 criminals are wounded by civilians each year.

Studies have shown that citizens use guns in self-defense between 800,000 and 3.6 million times annually (in the vast majority of cases merely showing the firearm prevents the crime), with the most comprehensive study estimating more than 2.5 million defensive gun uses per year. This far exceeds the number of crimes committed with firearms each year.

In addition, a recent study by economist John Lott examining the impact of "concealed carry" permits found that:

- Concealed handgun laws reduce murder by 8.5 percent and rape by 5 percent.
- Had liberal concealed carry laws prevailed nationally, there would have been 1,600 fewer murders and 4,200 fewer rapes each year.

However, not every city or state has seen the drop in crime that has accompanied the liberalization of concealed carry laws. Consider Philadelphia, where the idea for a lawsuit first arose. Pennsylvania liberalized its concealed carry law in 1989, but murder and other violent crime rates are still on the rise in Philadelphia—which demanded an exemption from the liberalized concealed carry law. Residents in other parts of Pennsylvania, who have the option of legally defending themselves with concealed firearms, have seen violent crime decrease.

While New Orleans and Chicago have filed dangerous lawsuits, a different kind of lawsuit might actually make the public safer. The general public might join crime victims in a class action suit against public officials, like Mayor Morial and Mayor Daley, whose actions make them less secure and increase crime rates in general.

Guns don't increase crime, foolish policies do, and public officials who institute them should be held accountable. When private citizens take actions that threaten the public's health or welfare, courts can enjoin the action and require compensation for those who have been harmed. Public officials should be held to the same standard, if not a higher one.



**A**lthough there is much debate among teachers and academics about whether the mostly white, mostly male, and mostly European heroes involved in stories of the nation's founding can have meaning for students whose backgrounds and origins are different, among the parents of these students there is virtually no debate.

According to a new study by the non-partisan, nonprofit group Public Agenda, parents firmly believe that schools should teach their children the traditional ideals and stories of what it means to be an American.

The Public Agenda study, "A Lot To Be Thankful For: What Parents Want Children to Learn About America," also reveals that parents from all demographic groups believe that teaching immigrant students to speak English should be the schools' top priority, rather than providing them with native-language instruction, or so-called bilingual education. Two out of three parents (67 percent) consider it important for students to learn English as quickly as possible, even if it means falling behind in other subjects.

Parents in all demographic groups strongly identified the key elements of the American ideal as individual freedom and opportunity, combined with a commitment to tolerance and respect for others. Parents recognized that with opportunity comes responsibility—for working hard and for being self-reliant. Three out of four parents (76 percent) say that an essential part of what makes America a special place is that people are expected to work and earn their living, not rely on the government.

By a 79 percent to 18 percent margin, parents of all demographic groups think that schools should teach children to be proud of being part of America and to learn the rights and responsibilities of citizenship, rather than emphasizing ethnic differences.

### **Immigrants in America**

With many immigrant parents not knowing much about America, it is essential for schools to teach their children what it means to be an American. More than 9 out of 10 parents (92 percent overall) say it is important for schools that have many immigrant students to concentrate on teaching them about the heroes, the traditions, and the beliefs of the United States.

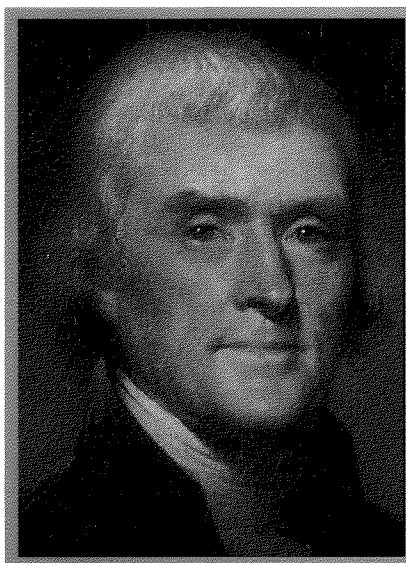
Since learning about America is not something that parents expect to occur naturally as children grow up, almost four out of five (79 percent) say that society has to actively teach children what it means to be an American. Only 9 percent of parents are worried that children from non-white, non-European backgrounds will feel alienated by stories about the mainly white men who founded the United States.

In fact, an overwhelming 87 percent of parents think that—given the wide diversity of student backgrounds today—it is more important than ever for the public schools to teach all children about the Founding Fathers and how the United States was created. Many parents spoke about the need to instill in their children a sense of pride in the fundamental goodness of their nation—not jingoism, but restrained patriotism.

The Public Agenda study was sponsored by the Thomas B. Fordham Foundation, the American Federation of Teachers, the National Education Association, and an anonymous

donor. The study, based on a national telephone survey of 801 parents of public school students conducted in September 1998, has a margin of error plus or minus 3 percent. The survey also involved six focus groups and interviews with 200 foreign-born, 203 Hispanic, and 198 African-American parents.

The complete study may be ordered from Public Agenda, 6 East 39th Street, New York, NY 10016, phone 212/686-6610.



*Parents firmly believe that schools should teach their children the traditional ideals and stories of what it means to be an American.*

## **Education**

**George Clowes**

George Clowes is managing editor of *School Reform News*, a monthly newspaper published by The Heartland Institute.

## **Parents Tell Schools: Teach American Values First**



Available on **PolicyFax**  
**Integration Where It Counts: A Study of Racial Integration in Public and Private School Lunchrooms**

Contrary to popular wisdom, private schools offer a more racially integrated environment than do public schools. (University of Texas at Austin, September 1998, 11 pp.)

Call 312/377-3000  
Request document #2114406

# Environment

**Jonathan H. Adler**

Jonathan H. Adler is Senior Director of Environmental Policy at the Competitive Enterprise Institute in Washington, DC.

## The New Environmental Majority



Available on **PolicyFax**

**A National Survey of Attitudes  
on Environmental Policy**

The complete text of the new CEI survey is available through PolicyFax! (Competitive Enterprise Institute, January 1999)

**Call 312/377-3000**

Request documents #2394417 (part 1, 13 pp.),  
#2394418 (part 2, 13 pp.),  
and #2394419 (part 3, 12 pp.)

**P**oll after poll shows that the American people care about the quality of the water they drink and the air they breathe. Americans want to conserve scarce resources and protect threatened species. But does this mean Americans want more federal programs and expanded regulations? Don't bet on it.

Americans are unquestionably pro-environment. But this does not mean they support an extensive, command-and-control environmental bureaucracy headquartered in Washington, DC. Indeed, most Americans are BOTH pro-environment AND anti-federal regulation.

That point was demonstrated in a National Survey of Environmental Attitudes commissioned by the Competitive Enterprise Institute in 1996. The survey, of 1,000 registered voters nationwide, found strong support for returning substantial regulatory authority over environmental matters to state and local governments. The survey also found that a majority of voters support the protection of property rights and promotion of conservation strategies that do not impose uncompensated regulatory takings on private landowners.

Much has changed politically since 1996, even if most environmental policies have not. So, in December 1998, CEI commissioned a follow-up survey to see if Americans still felt the same way about environmental protection as they did in 1996. As before, the survey was a nationwide poll of 1,000 registered voters. While the answers to some specific questions may have changed, the bottom line did not: Americans still support the protection of property rights and a greater role for state and local governments in environmental policy.

As the accompanying charts show, in 1996 and 1998, a clear majority of respondents desired greater state and local control over environmental concerns. Even when addressing the potential threat of chemical releases in a community, respondents placed more faith in state and local officials than in the federal government.

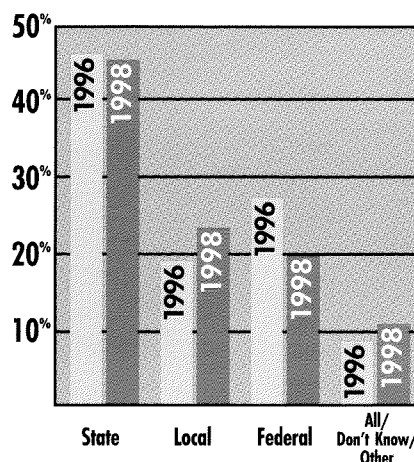
The emergence of new environmental issues, such as "urban sprawl"—the pejorative characterization of suburban growth dominant in environmental discussions today—has not dampened the public's preference for addressing matters closer to home. It is worth noting that only 23 percent of respondents identified suburban development or "urban sprawl" as a major concern in the community in which they live. For 44 percent of respondents, such development is a minor concern, and for 30 percent it is not a concern at all.

Suburban development is undoubtedly a concern in some places, but that does not mean Americans want Uncle Sam (or Vice President Al) to get involved. Indeed, most

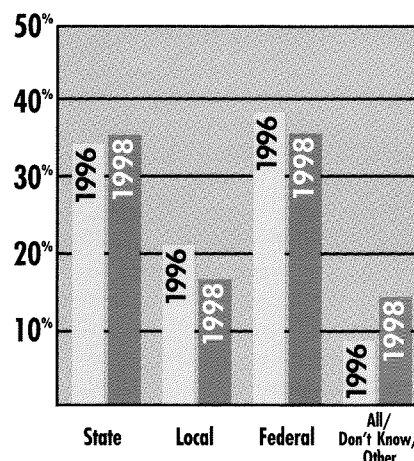
registered voters would prefer that "sprawl" concerns be addressed by private groups rather than the federal government. In those communities where "urban sprawl" is a concern, two-thirds of respondents said that state or local governments should take the lead.

In recent years, conservative politicians and policy makers have sought to burnish their environmental images by adopting pro-environment positions. Typically this has entailed echoing the calls for greater regulation and more government spending. The new survey results suggest that strategy is mistaken, particularly for political leaders who otherwise endorse a limited government agenda. Americans are pro-environment, but they believe that environmental protection does not require sending more power to Washington, DC. They want policies that are both pro-environment and anti-federal regulation. The challenge to politicians is to embrace and articulate that message.

**Which level of government should have the primary responsibility for protecting water quality in rivers, lakes, and streams?**



**Which level of government should have the primary responsibility for cleaning up hazardous waste sites and preventing their recurrence?**



Source: Competitive Enterprise Institute

In the examination room, patients trust that the physician has their best interests at heart. Most do. Because patients no longer pay the bill, however, an alarming conflict of interest stands between patients and doctors.

The conflict, which affects every patient and every doctor, began with Medicare. The original Medicare law of 1965 promised, "Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine . . ." Since then, however, Congress has chipped away at that promise through various regulations. Here's how.

Hospitals are paid according to Diagnostic Related Groups (DRGs), implemented in 1985. And doctors are paid according to Current Procedural Terminology (CPT) codes, developed in 1966. While both were meant to standardize payments across the country and limit government liability for medical costs, they have become a wedge between patient and doctor.

*The original Medicare law of 1965 promised, "Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine . . ."*

Medicare pays hospitals a fee according to the diagnostic code, not the actual cost of the care given. This can pressure doctors to do less, regardless of their patients' needs. As doctors order more tests or treatments, hospitals keep less of the DRG payment as profit. If the case becomes especially complicated, the hospital can submit a request for additional funds under a different DRG, but that process can be a bureaucratic nightmare of competing opinions on the medical necessity of care already given.

Similarly, doctors calculate fee-for-service bills using CPT codes, generated by the American Medical Association and the Health Care Financing Administration (HCFA). CPT codes are usually changed annually according to the Medicare budget and political pressure. For example, if senior citizens refuse to enroll in HMOs, HCFA could trim the physician fee schedule in the next year. That could drive doctors to see fewer Medicare patients or limit the care given to them.

Likewise, many HMOs limit payments to doctors through "withholds." HMOs withhold a percentage of each payment until the end of the fiscal year. Then, the doctor's number of referrals and hospitalizations, compliance with patient quotas, and patient satisfaction surveys are considered, along with the solubility of the HMO. Doctors may receive all, part, or none of the "withhold" money.

State governments have begun to adopt this technique in their Medicaid programs. In a soon-to-be-implemented "Performance Payment Plan," for example, the Minnesota Department of Human Services (DHS) will withhold, on average, 0.8 percent of each reimbursement. The goal is to improve compliance in child and teen check-ups; the intent is to expand the withhold to cover other requirements in the future. Jim Chase, director of purchase and service delivery for DHS, said "Our goal is to get as many people in as they can for those services." Logically, this means shorter appointment times for other patients, extended waiting times for those who are chronically ill, and more expensive emergency treatment for those who suddenly become sick.

As a result of these and other cost management techniques, the mindset of doctors and hospitals is shifting from compassion to calculation. The doctor and hospital feel pressure to do less, to stay within the diagnostic payment code, and to quickly discharge their patients. Patients become viewed as financial risks waiting to happen.

While no rules prohibit doctors from prescribing and curing according to their best medical judgment, there can be enormous financial penalties for doing so. Worse still, the doctor never knows for sure which course of treatment will elicit a penalty. The 1996 Health Insurance Portability and Accountability Act made health care fraud a felony punishable by fines, prison time, forfeiture of assets, and loss of license. Treatments considered medically unnecessary by HCFA can be classified as fraud, as can billing errors. All medical practices, not just Medicare and Medicaid, are subject. HCFA even proposed that fraud and abuse investigators be allowed to carry loaded firearms into doctor's offices.

The end results of such management controls are financial and ethical conflicts of interest between patients and doctors.

The answer to fear and conflict lies in understanding the "Golden Rule": "He who holds the gold makes the rules." Until patients regain individual control and management of their health care dollars, outside administrative decisions and financial conflicts of interest will continue to threaten medical judgment.

## Health Care

**Twila Brase, R.N.**

Twila Brase is president of Citizens' Council on Health Care.

## Government: A Wedge Between Patient and Doctor



Available on **PolicyFax**

**How Congress Can Restore the Freedom of Senior Citizens to Make Private Agreements with Their Doctors**

Senior citizens in the U.S. have less personal freedom than their counterparts in Britain's socialized medical system. (Heritage Foundation Backgrounder, August 1998)

Call 313/377-3000

Request document #3254307 (summary, 2 pp.)

# Law

## Marni Soupcoff

Marni Soupcoff clerks at the Washington, DC-based Institute for Justice and studies at Stanford Law School.

## Fighting Stealth Dictators



Available on **PolicyFax**

### Back to Equality

"It is high time," Ward Connerly writes, "that those who are obsessed with color develop a little colorblindness." (Hillsdale College, February 1998, 4 pp.)

Call 312/377-3000  
Request document #1272103

When William Hayden received a dismal score on his Nassau County police entrance exam, no one told him why. After some investigation he learned that Nassau County had, with the help of the U.S. Justice Department, thrown out more than half of the test in order to boost minority scores.

After the county and the Justice Department discarded the sections of the test evaluating reasoning and inference-drawing skills, what qualifications did they test for? Not many. The remaining sections were said to measure such amorphous qualities as personality and temperament. One question asked, for example, "Which of the two statements is most like you: I'm always in a hurry at work to get things done, or At work, I think of myself as part of a smooth-running machine." Such were the criteria by which Nassau County's potential police officers were judged.

Unfortunately, this quiet social engineering is routine business for the Justice Department. The department has become so adept at using its power to pursue pet social projects—most notably racial preferences and bilingual education—that the feds routinely bully counties and districts into agreements to establish quotas and inflexible education programs that are unnecessary and unwanted. Meanwhile, the taxpayer picks up the tab.

In Denver, where the Justice Department has been called in by the Office of Civil Rights (a particularly powerful one-two punch), federal education officials are making absurd demands. They insist that students of Hispanic heritage are sometimes better off taking classes in Spanish—even if they are English speakers who do not know a word of the Spanish language.

Federal educrats argue that parents do not have the right to remove their children from a Spanish-speaking class and that only tests—not parents or teachers—may determine when a student is ready to enter an English-speaking class. So much for a free and color-blind society, parental wisdom, and local control.

What makes this racial gerrymandering and social masterminding so Orwellian is that it happens so quietly, without public consent or even knowledge. Faced with the Justice Department's bottomless pockets and the risk of losing large amounts of federal funding (Denver alone could lose as much as \$30 million), local officials acquiesce, keeping these federally forced programs out of the court and the headlines.

When local officials have stood up to the Justice Department, courts have made some effort to rein in this federal leviathan. The Justice Department, for example, lost a groundless employment discrimination suit

against Torrance, California. U.S. District Judge Mariana Pfaelzer deemed the suit frivolous, unreasonable, and without foundation, and ordered the department to pay the city's legal fees in the case.

The Justice Department had accused Torrance of discriminating against minorities in its police and fire department entrance exams. The department probably expected Torrance—which first showed its independent streak when it incorporated in 1921 to avoid being swallowed up by Los Angeles—to acquiesce and sign a consent decree. That is what three other Los Angeles counties (Alhambra, El Monte, and Pomona) did when they were hit with discrimination suits around the same time. However, even faced with the threat of an expensive lawsuit, Torrance decided to fight back.

*Quiet social engineering  
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Torrance hired a prominent Los Angeles law firm to guide the city through the needlessly onerous and expensive discovery process the Justice Department demanded. (After one particularly asinine set of Justice Department depositions, the court warned Justice's attorneys that "at some point, the folly must end.") Even after millions of dollars were spent on discovery, the department was unable to provide any evidence that Torrance discriminated in its hiring process. Judge Pfaelzer summed the situation up well when she commented to a Justice Department attorney:

*It puzzles me that the United States government, with all the power and financial ability they have, brought the action against the City of Torrance and yet I still can't figure out what it is you have that will carry the burden of proof here.*

Standing up to the Justice Department is the first step in curbing the department's pattern of unchecked coercion. Of course, it is an outrage that individuals and cities should have to expend any energy or money at all battling the tyranny of federal bureaucrats . . . particularly when it is the taxpayers who are being compelled to fund this battle against themselves.



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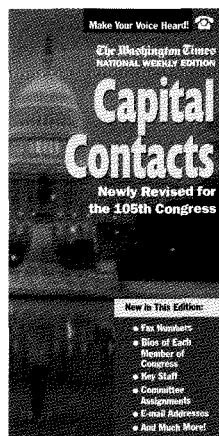
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# Privatization

**Adrian Moore & Wade Hudson**

Adrian Moore is director of economic studies, and Wade Hudson is a policy analyst, for the Reason Public Policy Institute.

## Leading the Way in Child Welfare Privatization



Available on **PolicyFax**

**Blueprint for the Privatization  
of Child Welfare**

A further examination of the costs of government-run foster care and benefits of privatizing this function. (Reason Public Policy Institute, December 1998)

Call 312/377-3000

Request documents #2418303 (summary, 2 pp.), #2418404 (part 1, 12 pp.), and #2418405 (part 2, 12 pp.)

**C**hild welfare services, particularly foster care and adoption programs, are under tremendous pressure in almost every state. The system is burdened with rapid growth in the number of children entering foster care and needing adoption and a maze of federal and state regulations. Conflicting policies have led to child welfare systems in which all too often paperwork and protocol overshadow the best interests of children.

In 1997 Congress passed the Adoption and Safe Families Act, which made large strides in shifting the focus of federal funding and regulation of child welfare services toward results rather than process, giving states greater flexibility to use innovative ways to improve child welfare.

According to the Reason Public Policy Institute's new study, "Blueprint for the Privatization of Child Welfare," by Dr. Susan Orr, three states—Michigan, Texas, and Kansas—have taken the lead in innovation in child welfare through public-private partnerships. Although their programs differ, their goals are the same: to better serve the needs of the children and families in their care.

**Michigan** was a very early innovator and started using private agencies to manage adoptions in 1987. The state altered its child welfare policy to 1) impose time limits on moving children to adoption, 2) tighten the definition of abandonment to reduce the number of children entering the system unnecessarily, 3) provide economic incentives for quicker adoptions, and 4) make information on adoptable children more available. Since then the rate of adoptions has continually increased, with considerable growth in the adoption of "special needs," or difficult to place, children. The success of this program can be seen in Table I.

In **Texas**, the problems were with management information systems (MIS) and information technology (IT). Until as recently as 1989, the state was tracking nearly 8,000 children with a system of three-by-five cards and

nine different computer systems. It took nearly seven years for Texas to upgrade to a centrally located and efficient information system. A private partner, Andersen Consulting, was hired to manage the MIS responsibilities.

Not only did the partnership help dramatically improve the child welfare program's management, but it realized substantial savings as well. The state expects that over the first ten years of the contract, program costs will be cut by more than half, from \$199 million to \$97 million. That very tangible savings will come with increased quality and efficiency gains as well.

**Kansas**, faced with yet another dilemma, has engaged in the most comprehensive program reform to date. In 1995 the state's child welfare program was struggling under a court order and in desperate need of fundamental change. The legislature demanded major reforms, and recommended, though did not require, privatization. The agency itself decided partnering with the private sector was the right step.

Cost savings were not the primary focus; as Governor Bill Graves put it, "This isn't about saving money. In fact, it may very well cost us more money, and that is OK in the long run if the results are more positive for the children of our state." The goal was to create a system with strong incentives to reduce the time children spend in foster care and ensure happy and lasting placement in adoptive homes. To reach that goal, Kansans dramatically changed their child welfare processes and used competition to manage services effectively and efficiently.

Similar to Michigan's system, the program is evaluated on clearly defined performance-based goals. Pooled funding is used to ensure that decisions are based on clinical need rather than on funding streams; and a set dollar amount is paid per child/family. The results have been even better than the state expected, with the private contractors exceeding their target levels for several outcome measures, as shown in Table II.

**Table I: Michigan Adoptions Then and Now**

|                                                  | 1991  | 1998  |
|--------------------------------------------------|-------|-------|
| <b>Black children adopted</b>                    | 439   | 1,213 |
| <b>Disabled children adopted</b>                 | 708   | 1,428 |
| <b>Number of all children adopted</b>            | 1,320 | 2,378 |
| <b>Number of children available for adoption</b> | 1,976 | 3,058 |

**Table II: Kansas Performance Improvements**

| Performance Outcome                         | Target set by Kansas | Target providers met |
|---------------------------------------------|----------------------|----------------------|
| <b>Safety of the Child</b>                  | 95%                  | 99.9%                |
| <b>Minimal Number of Placements</b>         | 90%                  | 99.5%                |
| <b>Maintain Family &amp; Community Ties</b> | 70%                  | 87.0%                |
| <b>Placed with Brother or Sister</b>        | 65%                  | 69.6%                |

Source: Susan Orr, "Child Welfare Services," *Annual Privatization Report* (Los Angeles: Reason Public Policy Institute, 1998), page 27.

Federal regulation of passenger automobiles is by far the most extensive case of government influence on a consumer product. There is no close second. Moreover, that regulation is extremely burdensome and the outlook is for more rather than less.

Specific regulations cover almost every aspect of the vehicle, including design, production, and operation. Government is directly involved in setting standards for such basic items as engines, bumpers, headrests, seat belts, door latches, brakes, fuel systems, and windshields, as well as the type of fuel that can be used. Yet among this vast array of government paperwork and directives there is no coordination of the various regulatory agencies administering them. The regulations, and the regulators, often work at cross-purposes.

For example, the law to control emissions reduces fuel efficiency. The government's requirements concerning side-door guard beams, energy-absorbing steering columns, and other safety features have added about 200 pounds to the weight of an automobile. These government actions lower fuel economy—and generate more pollution in the process.

In turn, fuel economy standards have forced the manufacture of smaller, lighter cars that are inherently less safe than the heavier cars that would otherwise be produced. When two cars of different size collide, the safety advantage lies with the occupants of the heavier vehicle. Also, in single vehicle accidents (such as hitting a tree), the occupants of heavier cars are likely to suffer fewer injuries.

The fuel efficiency standards applied to cars made in the United States after 1990 are estimated to result in over 2,200 additional traffic deaths every year. Overall, safety and emissions requirements add more than \$2,500 to the price of the average new automobile. That's a stiff hidden tax on the American motorist.

The higher cost of new automobiles resulting from the hidden regulatory tax means that many people are driving their old cars longer because they cannot afford to replace them. As a result, the nation is not getting the intended benefits of the host of expensive safety-environmental-energy regulations that have been promulgated.

From the viewpoint of the bureaucracy, it is easy for government to regulate business—but not always effective. For example, by far the major cause of automobile accidents is driver error, often on the part of drunken motorists. Nevertheless, regulation concentrates on the companies that make and distribute the products that people use, rather than on the way people use them.

Perhaps the saddest example of the unanticipated effects of regulation is the case

of airbags. Because some automobile passengers do not use their seat belts, the federal government requires the installation of more expensive passive-restraint systems, notably airbags that inflate in a frontal collision. Yet, airbags have generated serious adverse side effects not taken into account by the people writing the regulations.

Approximately 30 children and 20 adults were killed by airbags in the years 1991 to 1996. The problem arose because the National Highway Traffic Safety Administration (NHTSA) required the bags to have enough force to protect a physically mature adult male not wearing a seat belt. The regulators ignored warnings about the different impacts on children and smaller adults, especially women.

Public outrage is forcing a modification of this poorly thought-through requirement. However, NHTSA still seems determined to focus primarily on the case of adult males not using their seat belts, relying on special modification for women and children. Nevertheless, children would be safer *without* airbags.

*The costs of the many programs to regulate automobile safety, fuel economy, and emissions are far greater than their benefits.*

Seat belts could greatly reduce fatalities at a lower cost than airbags—and without their adverse side effects—if a combination of education and enforcement increased their usage substantially. Similarly, stronger enforcement of anti-drunk driving laws would be much more effective than the status quo in motor vehicle safety regulation.

The government's CAFE standards, covering "corporate average fuel economy," are also counterproductive. By raising the cost of new automobiles, the standards make it less likely that consumers will trade in their older, less fuel-efficient cars. On balance, the CAFE standards do not reduce auto emissions or even reduce fuel consumption. Eliminating CAFE standards would surely be helpful.

The costs of the many programs to regulate automobile safety, fuel economy, and emissions are far greater than their benefits. It is time to adopt less costly alternatives to achieve desired public policy.

# Regulation

Murray Weidenbaum

Murray Weidenbaum is chairman of the Center for the Study of American Business.

## Government Regulation of the Automobile



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### Ten Thousand Commandments

Federal regulations have a more significant impact on the economy than does the federal budget. (Competitive Enterprise Institute, 1998)

Call 312/377-3000

Request documents #7200304 (summary, 2 pp.), #7200417 (part 1, 16 pp.), #7200418 (part 2, 17 pp.), and #7200420 (part 3, 13 pp.)

# Taxes

Bill Ahern

Bill Ahern is Communications Director for the Tax Foundation.

Government  
Spending =  
Nearly One-Third  
U.S. Economy



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## Government Spending and Economic Growth

It's a world-wide phenomenon: As government spending as a percentage of GDP goes up 10 percent, the growth rate of the economy falls by one percentage point. (James Madison Institute Background, October 1998, 9 pp.)

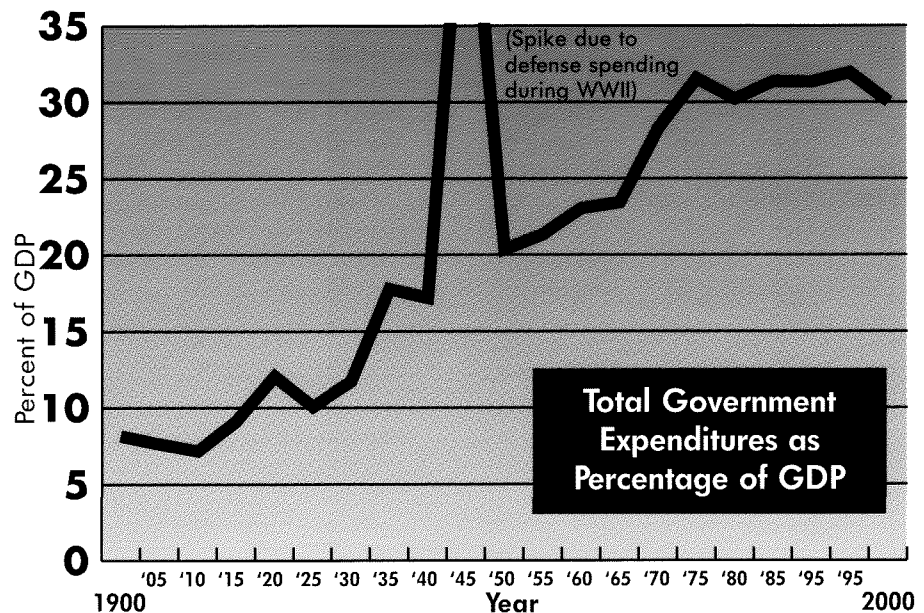
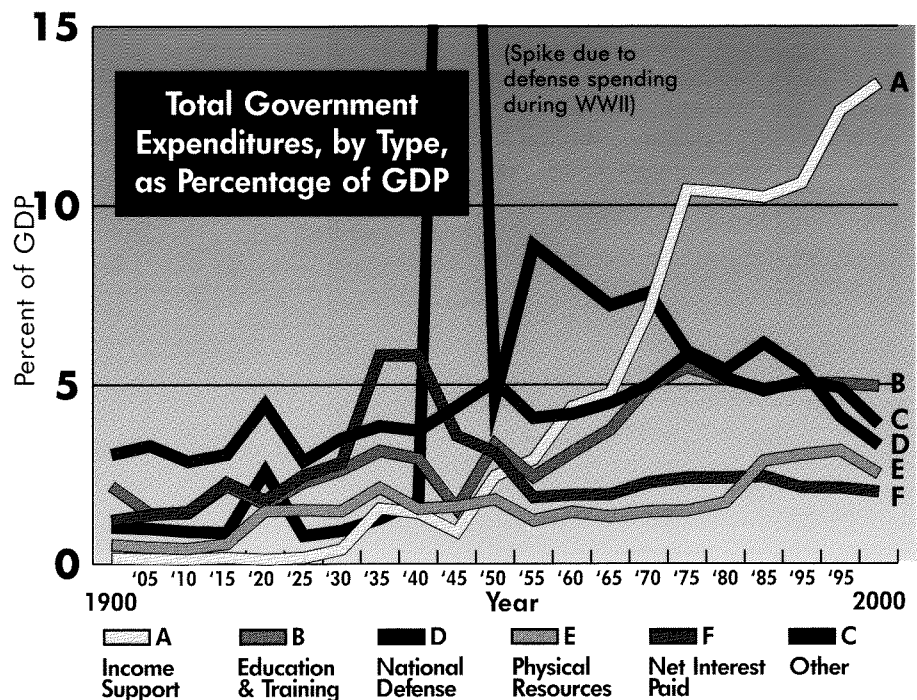
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Since the beginning of the twentieth century, governments in the United States have taxed the private sector to finance rising levels of public spending. One measure of government growth is the fraction of the overall economy that is consumed by government expenditures.

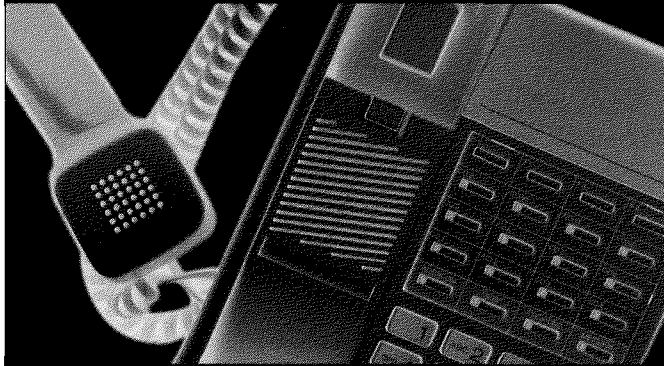
The figures below illustrate the growth of government expenditures as a percent of GDP since the beginning of the century. In 1900, total government expenditures equaled 8.2 percent of GDP. By 1997, that figure had nearly quadrupled, to 31.1 percent. Thanks to currently robust economic growth, it is estimated that by the year 2000 total government expenditures will represent "just" 30.0 percent of GDP.

The composition of government expenditures has also changed dramatically over time. At the turn of the century, most government spending paid for education and training, physical resources, and national defense. Today, most government activity involves transferring income from one group to another. Transfer programs—which represented just 2.0 percent of all government spending in 1900—are expected to account for 42.4 percent of government spending in 1999.

The budgetary authority of the various levels of government has also been transformed over the course of the century. In 1900, the bulk of government spending, 62.2 percent, took place at the state and local levels. Today, the federal government spends more than twice as much as state and local governments combined.



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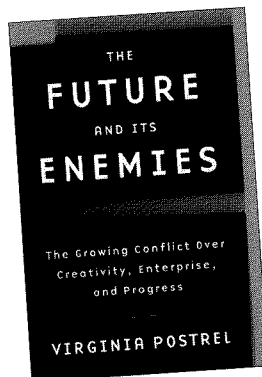
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# Welfare

**Robert Rector**

Robert Rector is a policy analyst for The Heritage Foundation.

## Illegitimacy is the Major Cause of Child Poverty



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Welfare Reform's Missing Component**  
Success in welfare reform requires a decline in teenage pregnancies. (Brookings Institution Policy Note, November 1998, 8 pp.)

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**T**he collapse of marriage and subsequent rise in the percentage of children born out of wedlock has scarred the past three decades of the American twentieth century.

Since the mid-1960s, the percentage of children born out of wedlock has quadrupled from 8 percent to 32 percent. That sharp rise in illegitimacy results from a decrease in the number of women of child-bearing age who are married; a decrease in the number of births to married couples; and a substantial increase in the number of births to unmarried women.

*Children born outside of marriage have life stacked against them.*

The ascendance of illegitimacy, which occurred for all racial and ethnic groups, has many negative social consequences. Chief among them is the increase in child poverty.

The chart below represents data from the National Longitudinal Survey of Youth (NLSY) which contains a nationally representative sample of young mothers and their children. The chart divides children into four groups:

**Out-of-Wedlock, Never Married** (children born out of wedlock whose mothers never married after their birth);

**Out-of-Wedlock, Subsequent Marriage** (children born out of wedlock whose mothers married subsequent to their birth);

**Within Wedlock, Divorced** (children born to married parents who later divorced);

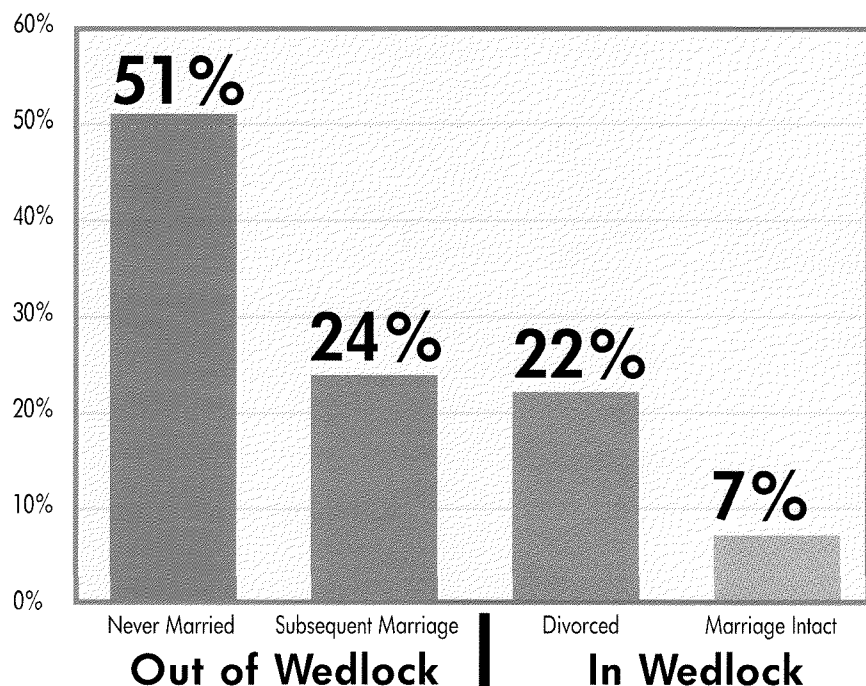
**Within Wedlock, Marriage Intact** (children born to parents who were married at the time of birth and remained married).

For each category, the chart shows the amount of time since birth that a child has lived in poverty. Children born out of wedlock to never-married women live in poverty 51 percent of the time. By contrast, children born within a marriage that remains intact are poor 7 percent of the time. Thus, the absence of marriage increases the frequency of child poverty 700 percent. However, marriage after an illegitimate birth is effective, cutting the child poverty rate in half.

From the very beginning, children born outside of marriage have life stacked against them. In addition to poverty, children born into illegitimacy are more likely to experience: retarded cognitive (especially verbal) development; lower educational achievement; lower job attainment; increased behavioral and emotional problems; lower impulse control; and retarded social development. Such children are far more likely to: engage in sexual activity; have children outside of marriage; be on welfare as adults; and engage in criminal activity.



**American Children: Time in Poverty**



# Dear Melissa: A Perspective on the War against Smoking

by Joseph L. Bast



A few days ago I received an e-mail message from a student named Melissa. It read:

*hey what's up. my name is melissa. i am doing an oral presentation on the way perspectives effect the way people interact and the things that make up a person's perspective or point of view such as surroundings, background etc . . . upon doing my research i came across your blurb on joe camel / smokers point of view. it was very interesting and i was wondering if you could offer up any more info that could make for an interesting talk??? thanks and farewell.*

**W**ell, Melissa, I'm glad you found my essay and thought to follow up with your letter. Have they stopped teaching kids at your school how to use capital letters?

My essay on Joe Camel (titled "Joe Camel is Innocent!") and the more recent essays on tobacco you may have seen at The Heartland Institute's Web site don't reflect the smoker's point of view so much as they do the civil libertarian's point of view. (A civil libertarian is someone who defends the liberties enshrined in the Constitution's Bill of Rights.)

I'm an infrequent smoker and generally smoke only cheap cigars (one a day, after work, with a can of beer). I would never argue that smoking isn't bad for you: It is. Kids, especially, shouldn't smoke. But for adults, smoking in moderation can be enjoyable and poses very little health risk.

Your question about how "surroundings, background, etc." helped to shape my perspective on smoking set me thinking. I grew up in a small town where people were pretty much responsible for making their own choices, and they were held accountable for the results. There wasn't a law against everything bad, or a law requiring us to do everything good. People avoided doing bad things, and generally did good things, most of the time, without the government or the police getting involved and without people suing one another.

The "war against smoking," it seems to me, is mostly about denying people the right to choose that I remember having when I grew up.

I write about the war on smoking because it is part of a bigger trend toward relying more and more on government to tell us what we can and can't do. The effect of these new rules and laws is to turn citizens into children and government into a big nanny.

That certainly isn't how the Founding Fathers planned it. They want-

ed to limit government to a few specific tasks in order to protect and expand the range of individual freedom. They had seen the abuse of unlimited government power in Europe and throughout history, and they deliberately planned a different kind of system for the United States. Assuming that they haven't also stopped teaching civics at your school, most of this should sound familiar to you.

Lawyers and their allies in so-called "consumer groups" are out to ban, or at least bankrupt the producers of, many products that we used to be free to choose to own or consume. Today it's tobacco, tomorrow it will be guns, and the next day alcohol. Then what? Fast food, prescription drugs, autos, pesticides . . . the list of "inherently dangerous products" that these folks say government should protect us from is endless. Each time one of these products is banned or regulated, or its producer bankrupted, our civil liberties retreat another step.

That can't be right, and it can't work in the long run.

Someone once said that the truth is the first fatality of a war. That certainly has been true of the "war" against smoking. For example, I don't think it is particularly difficult to quit smoking (over 25 million people have) or at least to cut back to safer levels. But if you say that in a public forum, people will act as if you broke the law or something. Maybe, in the near future, saying that will be against the law.

How can we discover the truth if we aren't allowed to say or read certain facts and opinions? What happens to our First Amendment right to free speech if newspapers and television programs refuse to present both sides of the story?

There is an alternative to treating adults like kids and kids like fools. It is for each of us to obey the Golden Rule—treat others as you would want to be treated—and what I call the Silver Rule—mind your own business. Many of the world's problems would be solved if more people just followed those two simple rules.



Joseph L. Bast is president of The Heartland Institute, a nonprofit research organization based in Chicago. His views on tobacco can be found at [www.heartland.org/tobacco.htm](http://www.heartland.org/tobacco.htm)



# Whither Wilderness?

by James Patric and Raymond Harbin

On December 21, The Heartland Institute released *Heartland Policy Study #88, "Whither Wilderness? How Much Is Enough?"* by James Patric and Raymond Harbin. The 48-page report is available from The Heartland Institute for \$10. It is also available on the World Wide Web at <http://www.heartland.org>.

James H. Patric is retired after a nationwide career in research with the U.S. Forest Service. Raymond L. Harbin is actively engaged in hardwood ventures and in ecological research on hardwoods.

We are eager to hear your comments on this summary of their work; send e-mail to [think@heartland.org](mailto:think@heartland.org).



Increasing wilderness area "set-asides" is seen by many to be the best way to ensure the future well-being of both the land and humanity. Opposing this view are most land managers, who are concerned that the need for forest products will not be met if lands are increasingly set aside solely for recreational enjoyment. The authors contend that further additions to the National Wilderness Preservation System are unnecessary to preserve existent ecosystems, would contribute little to public recreation, and can be detrimental to the nation's economy.

## 1. The U.S. has vast wilderness resources.

Roughly one-third of the total land area of the United States is "wilderness" by some definition of the term. The congressionally set-aside National Wilderness Preservation System—what rigid environmentalists generally mean when they refer to wilderness—consists of nearly 104 million acres, 95 percent of it west of the Mississippi River. About one-fifth of the states have designated an additional 5 million acres to wilderness use. An additional 123 million acres of federal lands and 30 million acres of state and private lands are "remote" (more than three miles from a road); and over 87 million acres of federally owned land and 35 million of state-owned land are "back-country" (between 0.5 and 3.0 miles from a road).

Wilderness is also in private hands. Industry owns 483 million acres of forest in the U.S., much of it open for recreation. The Nature Conservancy has established 2,866 preserves totaling 2.68 million acres, the world's largest system of privately held reserves. Ducks Unlimited has projects affecting nearly half-a-million acres in all 50 states.

Recent estimates show that municipal and county facilities (parks, forest preserves, etc.) account for about 60 percent of recreational

use, state lands about 14 percent, private lands also about 14 percent, and federal lands a mere 12 percent of all such outdoor activity.

## 2. "Wilderness" is a subjective concept, not a scientific term.

Author Roderick Nash contends that wilderness has never existed. "We act as if wilderness were real—rocks, trees, canyons, mountains—but it actually is a state of mind evoked by a state of nature, a quality associated by some people with some places. Wilderness—like beauty—is in the eyes of the beholder."

Many environmentalists identify mature forests as the kind of vegetation that would prevail in the absence of logging and other types of human interference. But this vision of vast expanses of unbroken old-growth forest is a myth. Humans have been changing the natural landscape of America since before Columbus. The landscape witnessed by early American settlers was "artificial" in the sense that it was the result of prior large-scale human interventions including the use of fire, planting crops, and hunting.

Biological diversity is produced naturally by wildfire, blowdowns, insects, and disease, and caused by human actions such as clear-cutting, selective harvesting, and replanting. Forests in different stages of development are more or less suited to the needs of different kinds of wildlife; no one stage is "better" or "more natural" than any other. There is no scientific basis for labeling some of these stages "wilderness" and others "not wilderness."

*"We act as if wilderness were real—rocks, trees, canyons, mountains—but it actually is a state of mind evoked by a state of nature, a quality associated by some people with some places. Wilderness—like beauty—is in the eyes of the beholder."*

## 3. Current wilderness set-asides are sufficient to support other values as well.

**Recreation.** The lands of the National Wilderness Preservation System are one of many places for beholders to experience wilderness recreation. But much of that system is too remote from population centers or too foreboding for consistent use. The NWPS lands best suit the purists, a small, youthful, and affluent sector of society. Far greater numbers seek more readily accessible areas, perceived as wild but likely to have at least some developed facilities. By far, most people resort to less pristine recreational facilities located fairly close to roads and home.

**Ecosystem preservation.** Wilderness areas may contain rare or endangered plant or animal species as well as plants of now-unknown genetic, medicinal, or nutritional usefulness. This is no rationale for preserving ecosystems, however, since benign neglect—about the only biotic management legal in the NWPS—ordinarily is ineffective as a preservation technique.

**Scientific research and teaching.** The need to set aside remote wilderness areas as classrooms for students and scientists seems a plausible reason to designate wilderness areas . . . until one attempts to actually use such a place for a classroom. Remoteness, se-

verely limited access, prohibitions on the use of motor vehicles and vegetative treatments, as well as the need to protect the solitude of recreationists, all work to severely limit the value of the NWPS for research and teaching. Experimental forests and natural areas designated for research provide far better environs for most teaching and research.

**Spiritual and vicarious values.** A view of wilderness as "divine" has evolved slowly among Americans, an outgrowth of the 1960s' counter-culture and the pantheism, gnosticism, eco-religion, deep ecology, and Gaia worship that followed. But the exercise of such spirituality seems possible on many wildlands alternative to and less extensive than the NWPS. Given the 11-fold expansion of the NWPS, is there evidence that vicarious users and worshipers find 11 times more satisfaction in it?

#### **4. Wilderness set-asides are costly for taxpayers and the economy.**

Setting aside land as wilderness means a loss of jobs, tax revenues, and commodity values for nearby communities. Loss of income and tax base can be acute, especially in western states, where vast areas of publicly owned timber are already held in preserved status. Forests of the Pacific northwest may well be the world's most productive timberlands, but nearly half are off-limits to harvest, ostensibly preserved forever as wilderness, park, or other outdoor museum. About half of the redwood forest in California is similarly off-limits.

Of Washington state's total timber, 27 percent is in some form of preserved status; in Oregon, fully 60 percent is protected. In 1988, 490 sawmill, pulp, plywood, panel, and veneer mills operated in those two states. Today, well over half of them (305) are closed for lack of timber; with jobs and products lost, many rural communities are in disarray.

Wilderness set-asides also result in lost access to other natural resources. President Clinton's creation of a 1.7 million-acre national monument in southern Utah has denied the nation access to 62 billion tons of low-sulfur coal, 2 to 3 billion barrels of oil, and 2 to 4 trillion cubic feet of natural gas. The 19 million-acre Arctic National Wildlife Refuge (ANWR), in which development is currently prohibited, may hold recoverable oil reserves of up to 9.2 billion barrels. ANWR de-

velopment could raise U.S. gross domestic product by \$50.4 billion and create 735,000 jobs nationwide.

#### **5. Science, professional expertise, and economics should guide our use of wildlands.**

Wilderness preservation is an easy sell to affluent Americans. The psychological effects of separating Americans from their land and its resources make some Americans vulnerable to emotional appeals aimed at removing forests and other lands from productive use. Wildernists cannot make a case based on sound science for radically changing current forestry practices or for setting aside still larger areas of wilderness for preservation. The very definition of wilderness is profoundly subjective: Calls for more of it are based on urban esthetics, dubious science, quasi-religious appeals, and even outright falsehood.

It should never be overlooked that forests do one thing no other land use can accomplish—they produce wood. Wood is an immensely useful substance, readily renewable and completely biodegradable; its production expends less energy and causes less long-term environmental stress than the production of any other plant fiber or construction material.

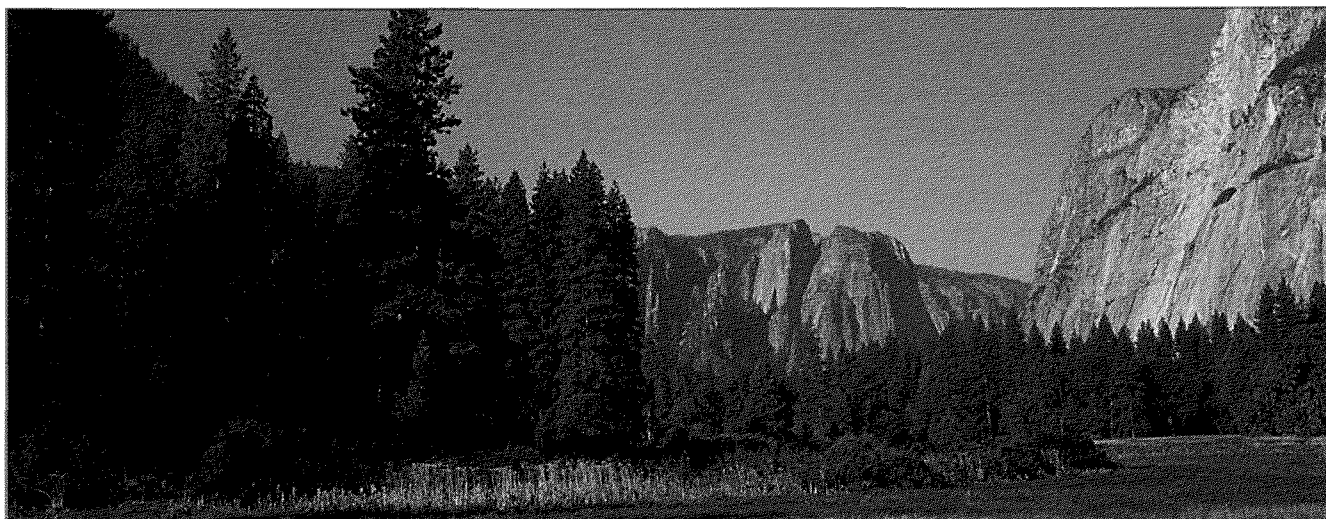
Professionally managed forests may produce wood alone or, in the usual case, some combination of wood, grazing, water, minerals, and recreation. Management is key to protecting the resource base while satisfying as many commodity and amenity needs as land, funding, and manpower permit. A century ago, single-minded emphasis on the pro-

duction of wood led to serious environmental consequences. Today, heavy emphasis on the amenity values also may lead to serious environmental consequences, the predictable results of forest neglect.

*The psychological effects of separating Americans from their land and its resources make some Americans vulnerable to emotional appeals aimed at removing forests and other lands from productive use.*



Based on Heartland Policy Study #88, "Whither Wilderness?" by James Patric and Raymond Harbin. Copies are available from The Heartland Institute for \$10.00 each.



## Legal Eagles?

The following was reported in the Massachusetts Bar Association *Lawyers Journal*. The questions, and in certain cases the insightful responses of witnesses, were actually stated in a court of law. (The names have not been included to protect the innocent.)

1. "Now doctor, isn't it true that when a person dies in his sleep, he doesn't know about it until the next morning?"
2. "The youngest son, the twenty-year-old, how old is he?"
3. "Were you present when your picture was taken?"
4. "Was it you or your younger brother who was killed in the war?"
5. "Did he kill you?"
6. "How far apart were the vehicles at the time of the collision?"
7. "How many times have you committed suicide?"

8. Q: "She had three children?"  
A: "Yes."  
Q: "How many were boys?"  
A: "None."  
Q: "Were there any girls?"

9. Q: "You say the stairs went down to the basement?"  
A: "Yes."  
Q: "And these stairs, did they go up also?"

10. Q: "How was your first marriage terminated?"  
A: "By death."  
Q: "Any by whose death was it terminated?"

11. Q: "Is your appearance here this morning pursuant to a deposition notice which I sent to your attorney?"  
A: "No, this is how I dress when I go to work."

12. Q: "Doctor, how many autopsies have you performed on dead people?"  
A: "All my autopsies are performed on dead people."

13. Q: "All your responses must be oral, okay? What school did you go to?"  
A: "Oral."

14. Q: "Do you recall the time that you examined the body?"  
A: "The autopsy started around 8:30 p.m."  
Q: "And Mr. Dennington was dead at the time?"  
A: "No, he was sitting on the table wondering why I was doing an autopsy."

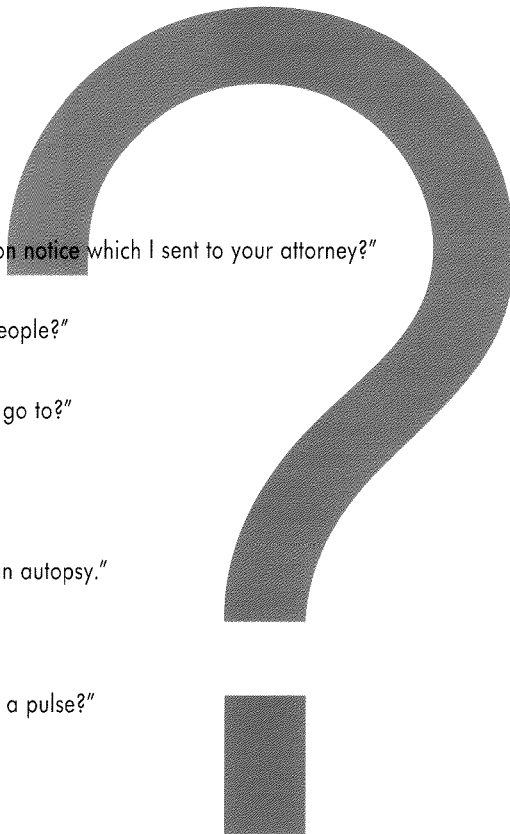
15. Q: "Are you qualified to give a urine sample?"  
A: "I have been since childhood."

16. Q: "Doctor, before you performed the autopsy, did you check for a pulse?"  
A: "No."  
Q: "Did you check for blood pressure?"  
A: "No."  
Q: "Did you check for breathing?"  
A: "No."  
Q: "So, then it is possible that the patient was alive when you began the autopsy?"  
A: "No."  
Q: "How can you be sure, Doctor?"  
A: "Because his brain was sitting on my desk in a jar."  
Q: "But could the patient have still been alive nevertheless?"  
A: "It's possible that he could have been alive and practicing law somewhere." 

Q & A

or

"Ask a stupid question ..."



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**Kansas Taxpayers Network**  
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**Laissez Faire Institute**  
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**Landmark Legal Foundation**  
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**Law and Economics Center**  
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**League of Private Property Voters**  
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**Lincoln Legal Foundation**  
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**Lincoln Institute of Public Opinion Research, Inc.**  
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74157.243@CompuServe.com; www.lincolninstitute.org

**Louisiana Citizens for a Sound Economy**  
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**Manhattan Institute**  
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**Media Research Center**  
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**Medical Sentinel, official journal of the AAPS**  
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912/757-9873, fax 912/757-9725  
www.haciendapub.com

**Michigan Family Forum**  
611 South Walnut Street, Lansing, MI 48933, 517/374-1171, fax 517/374-6112

**The Mid-America Legal Foundation**  
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**Minnesota Family Council**  
2855 Anthony Place South #150, Minneapolis, MN 55418-3265, 612/789-8811, fax 612/789-8857

**Minority Mainstream**  
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**Mountain States Legal Foundation**  
707 17th Street #3030, Denver, CO 80202-3404, 303/292-2021, fax 303/292-1980

**National Center for Policy Analysis**  
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**National Center for Public Policy Research**  
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**National Chamber Foundation**  
1615 H Street NW, Washington, DC 20062, 202/463-5552, fax 202/463-3124

**National Legal Center for the Public Interest**  
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**National Rifle Association of America**  
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**National Right to Work Committee**  
8001 Braddock Road, Springfield, VA 22160,  
703/321-9820, fax 703/321-7342

**National Right to Work Legal Defense Foundation**  
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**National Tax Limitation Committee**  
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**National Taxpayers Union**  
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703/683-5700, fax 703/683-5722

**Nevada Policy Research Institute**  
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702/786-9600, fax 702/786-9604

**New Citizenship Project**  
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202/822-8333, fax 202/822-8325

**New Coalition for Economic and Social Change**  
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312/427-1290, fax 312/427-1291

**New England Legal Foundation**  
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617/695-3660, fax 617/695-3656

**New Mexico Foundation for Economic Research**  
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505/243-5400, fax 505/243-1700

**New York Citizens for a Sound Economy**  
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**Oklahoma Citizens for a Sound Economy**  
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405/330-4002, fax 405/330-3601

**Oklahoma Council of Public Affairs**  
100 West Wilshire Avenue #C-3, Oklahoma City,  
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**Oklahoma Family Policy Council**  
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OK 73118-4422, 405/840-3005, fax 405/840-4288

**Pacific Legal Foundation**  
2151 River Plaza Drive #305, Sacramento,  
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**Parents Rights**  
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MO 63146, 314/434-4171

**Partners Advancing Values in Education**  
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414/342-1505, fax 414/342-1513

**Pattern Research**  
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**The Philanthropy Roundtable**  
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**Pioneer Institute**  
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**Public Affairs Research Institute of New Jersey**  
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**Public Interest Institute**  
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**Public Service Research Foundation**  
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**Rose Institute for State and Local Government**  
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**Texas Citizens for a Sound Economy**  
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## Let's Run the Climate Change Race to Win!

Americans are right to be concerned about the risk of potential climate change. How our nation addresses the challenges presented by climate change can be compared to running a race. Running that race - and winning it - requires a thoughtful strategy that considers the science of climate change that we know and hope to learn, how best to address the risks, and the costs that our choices involve.

Just like any race, winning comes down to how it's run. As concerned Americans, we have to decide whether to run this race as a marathon or as a sprint.

Those who support the Kyoto Climate Change Treaty see this race as a sprint. Meeting the Treaty's goals would require all Americans to cut their greenhouse gas emissions by 30 percent in little more than a decade. The costs would be high:

- **Families** could lose about \$4100 per year to higher living costs and in lost income that would otherwise help pay for car and mortgage payments, medical bills, groceries, clothes and other necessities.
- **Jobs** would be lost (approximately 2.4 million per year, according to WEFA, Inc.) in all sectors of the economy, including farms, manufacturing, retail, and high technology services.
- **Cities** might have to reduce some basic services (police and fire protection, school buses, trash collection) to cut fuel costs.

And, since 130 of the world's developing nations are exempt from the Treaty's requirements, climate scientists question whether the Treaty's goals can be achieved. If we follow Kyoto's strategy, by 2050, scientists predict we'll have reduced Earth's temperature by only one 20<sup>th</sup> of one degree. That's a pretty small payback for 50 years of sacrifices.

Let's run this race as a marathon, and develop a strategy that allows us to measure our pace of energy reductions without overly taxing Americans' finances. A long-term approach also gives us the time to develop technologies that will help us to not only stay in the race, but also to win it!

For more information about this issue, visit the American Petroleum Institute's Website ([www.api.org](http://www.api.org)).



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